

108TH CONGRESS  
1ST SESSION

# H. R. 1841

To better assist lower income families to obtain decent, safe, and affordable housing through the conversion of the section 8 housing choice voucher program into a State-administered block grant.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 29, 2003

Mr. NEY (by request) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To better assist lower income families to obtain decent, safe, and affordable housing through the conversion of the section 8 housing choice voucher program into a State-administered block grant.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.**

4       (a) SHORT TITLE.—This Act may be cited as the  
5       “Housing Assistance for Needy Families Act of 2003”.

6       (b) TABLE OF CONTENTS.—

- Sec. 1. Short title and table of contents.
- Sec. 2. Findings and purposes.
- Sec. 3. Authority.
- Sec. 4. Definitions.
- Sec. 5. Planning and performance.

Sec. 6. Eligible families.  
 Sec. 7. Eligible activities.  
 Sec. 8. Amount of assistance.  
 Sec. 9. Authorization, allocation and distribution of funds.  
 Sec. 10. Environmental review.  
 Sec. 11. Inspection of units.  
 Sec. 12. Portability.  
 Sec. 13. Compliance.  
 Sec. 14. Effective date.

1 **SEC. 2. FINDINGS AND PURPOSES.**

2 (a) FINDINGS.—The Congress finds that—

3 (1) the section 8 tenant-based assistance pro-  
 4 gram now provides rental and homeownership assist-  
 5 ance to more than 1.8 million families;

6 (2) despite this success, during the past several  
 7 years, billions of dollars of funds appropriated for  
 8 tenant-based assistance have remained unspent, and  
 9 as a result, several hundred thousand families have  
 10 not been provided housing assistance made available  
 11 by Congress;

12 (3) over 2,600 public housing agencies, half of  
 13 which administer 250 or fewer vouchers, administer  
 14 the tenant-based assistance program through direct  
 15 contracts with the Secretary, and thus the Secretary  
 16 must administer the program through rules and reg-  
 17 ulations that apply directly to more than 2,600 enti-  
 18 ties throughout the Nation;

19 (4) this administrative structure has contrib-  
 20 uted to the development of regulatory and statutory  
 21 measures that have made the tenant-based assist-

1       ance program overly prescriptive and difficult to ad-  
2       minister, with hundreds of pages of regulations and  
3       guidance;

4           (5) the complexity of the tenant-based assist-  
5       ance program, its inability to allow adequate timely  
6       adjustments to changing local markets, and its mul-  
7       tiplicity of Federal directives, all have contributed to  
8       several hundred thousand families not being pro-  
9       vided the housing assistance made available by Con-  
10      gress;

11          (6) the linkage between housing assistance and  
12      the government's role in supporting self-sufficiency  
13      efforts for low-income families is critical, and this  
14      role is now largely carried out by the States under  
15      the Temporary Assistance for Needy Families pro-  
16      gram and other programs; and

17          (7) since assuming responsibility for the Tem-  
18      porary Assistance for Needy Families program, and  
19      with respect to other initiatives, such as the One-  
20      Stop Career Center system under the Workforce In-  
21      vestment Act, States have shown that they can bring  
22      creative, effective administration to programs for as-  
23      sistance to needy families.

1       (b) PURPOSES.—The purpose of this Act is to provide  
2 for housing assistance through a State-administered block  
3 grant, and thereby to—

4           (1) provide for the necessary program flexibility  
5 and oversight so that funds are used promptly and  
6 effectively to assist needy families;

7           (2) facilitate greater program responsiveness to  
8 local markets and needs;

9           (3) provide for administrative decision-making  
10 closer to the communities and families affected, by  
11 their elected officials;

12          (4) provide for additional program flexibility to  
13 address local needs;

14          (5) give States the authority to reallocate funds  
15 or take other actions necessary to ensure that pro-  
16 gram funds are expended promptly and effectively;

17          (6) improve government support of self-suffi-  
18 ciency efforts by assisted families, by facilitating  
19 greater coordination with the Temporary Assistance  
20 for Needy Families program, programs under the  
21 Workforce Investment Act, and other Federal and  
22 State programs that promote self-sufficiency;

23          (7) provide greater flexibility for addressing  
24 special needs of elderly and disabled families; and

1           (8) facilitate State and local efforts to reduce  
2       homelessness.

3   **SEC. 3. AUTHORITY.**

4       (a) The Secretary is authorized to make grants to  
5   States to provide tenant-based rental and homeownership  
6   housing assistance and to carry out activities related  
7   thereto in accordance with the provisions of this Act.

8       (b) Subject to the availability of appropriations, each  
9   State receiving a grant under this Act shall, for fiscal  
10   years 2005 through 2009, provide tenant-based rental and  
11   homeownership housing assistance to no fewer than the  
12   average number of families served in such State during  
13   the 120 day period ending on September 30, 2004 by the  
14   Housing Choice Voucher program authorized under sec-  
15   tion 8 of the United States Housing Act of 1937 (42  
16   U.S.C. 1437f), including those families receiving enhanced  
17   voucher assistance authorized under such section 8.

18       (c) The chief executive officer of any State may, in  
19   any fiscal year, after receiving a grant under this Act for  
20   such fiscal year, designate any agency or instrumentality  
21   of the State to act on behalf of the State with regard to  
22   the provisions of this Act.

23   **SEC. 4. DEFINITIONS.**

24       (a) The term “State” shall include the several States,  
25   the District of Columbia, the Commonwealth of Puerto

1 Rico, the territories and possessions of the United States,  
2 and the Commonwealth of the Northern Mariana Islands.

3 (b) The term “gross monthly income” shall include  
4 income from all sources of each member of the household,  
5 as determined in accordance with criteria prescribed by  
6 the State.

7 (c) The terms “elderly families”, “disabled families”,  
8 and “Secretary” used in this Act shall have the definitions  
9 accorded such terms by the United States Housing Act  
10 of 1937 (42 U.S.C. 1437 et seq.).

11 (d) The term “tenant-based rental housing assist-  
12 ance” means assistance that provides for the eligible fam-  
13 ily to select suitable housing and to move to other suitable  
14 housing.

15 **SEC. 5. PLANNING AND PERFORMANCE.**

16 (a) STATE PLAN.—Prior to the receipt in any fiscal  
17 year of a grant under this Act, the State shall, as part  
18 of its comprehensive housing affordability strategy (or any  
19 consolidated plan incorporating such strategy) under sec-  
20 tion 105 of the Cranston-Gonzalez National Affordable  
21 Housing Act, set forth quantifiable objectives related to  
22 performance measures established by the Secretary under  
23 subsection (b).

24 (b) PERFORMANCE STANDARDS.—The Secretary  
25 shall establish performance standards for States receiving

1 grants under this section as the Secretary determines to  
2 be appropriate, including budget utilization, financial  
3 management, number of families served, quality of hous-  
4 ing, reduction of homelessness (including homelessness  
5 among veterans), improved living conditions for elderly  
6 and disabled families, the effectiveness of voucher assist-  
7 ance in helping families move toward homeownership and  
8 self-sufficiency, and the extent to which State or local gov-  
9 ernments remove barriers to affordable housing.

10 (c) PERFORMANCE REPORT.—

11 (1) The Secretary shall require each State to  
12 submit to the Secretary, at a time and in a form de-  
13 termined by the Secretary, a performance evaluation  
14 and report to be made available to the public con-  
15 cerning the progress it has made in carrying out its  
16 plan under subsection (a) and in meeting annual nu-  
17 merical performance targets consistent with the per-  
18 formance standards established under subsection  
19 (b). Included in the report shall be:

20 (A) the number of families and individuals  
21 receiving tenant-based rental and homeowner-  
22 ship housing assistance under the State pro-  
23 gram including the number of families with  
24 children, elderly families, and disabled families.  
25 For each family, information on income,

1 sources of income, and changes in income and  
2 employment status;

3 (B) the total dollar value of housing assist-  
4 ance received by all families;

5 (C) amounts spent on administrative fees;

6 (D) information about the neighborhood  
7 poverty rates in which families reside; and

8 (E) other information on the use of Fed-  
9 eral assistance as the Secretary may prescribe.

10 (2) SUFFICIENCY OF REPORT.—If a State fails  
11 to submit a report satisfactory to the Secretary in  
12 a timely manner, the Secretary may take any nec-  
13 essary compliance actions authorized under section  
14 13(b) of this Act.

15 (d) ALTERNATIVE ADMINISTRATION.—

16 (1) In fiscal year 2005 and any fiscal years  
17 thereafter, if any State has not demonstrated to the  
18 satisfaction of the Secretary that it has the capacity  
19 to adequately administer grant amounts under this  
20 Act, the Secretary shall determine how to carry out  
21 such program in any such State, which may include  
22 administration of such program by one or more pub-  
23 lic housing agencies or other entities.

24 (2) If, pursuant to paragraph (1), grant  
25 amounts under this Act are administered by one or



1 more public housing agencies or other entities, all  
2 provisions under this Act which would otherwise be  
3 applicable to States administering funds under this  
4 Act shall be applicable instead to such public hous-  
5 ing agencies or other entities.

6 **SEC. 6. ELIGIBLE FAMILIES.**

7 (a) INITIAL ELIGIBILITY.—

8 (1) To be eligible to receive tenant-based rental  
9 and homeownership housing assistance under this  
10 Act, a family that is not assisted under section 8 of  
11 the United States Housing Act of 1937 (42 U.S.C.  
12 1437f) shall have an income that does not exceed 80  
13 percent of the median income for the area, as deter-  
14 mined by the Secretary with adjustments for smaller  
15 or larger families, except that the Secretary may es-  
16 tablish income ceilings higher than 80 percent of the  
17 median for the area for elderly and disabled families.

18 (2) NEW ADMISSIONS.—Of the families eligible  
19 to receive assistance pursuant to subsection (a) and  
20 initially receiving such assistance under this Act, not  
21 less than 75 percent of such new admissions in each  
22 State in any fiscal year shall have incomes that do  
23 not exceed 30 percent of the area median income, as  
24 determined by the Secretary with adjustments for  
25 smaller or larger families. If States are prevented

1 from achieving this requirement and proof is pro-  
2 vided that this target cannot be met, then States  
3 may submit waiver requests to the Secretary for ad-  
4 ditional income targeting flexibility for new admis-  
5 sions, however, the Secretary may grant such waiv-  
6 ers only to the extent that not less than 55 percent  
7 of new admissions in each State in any fiscal year  
8 shall have incomes that do not exceed 30 percent of  
9 the area median income.

10 (b) CONTINUED ELIGIBILITY.—Subject to subsection  
11 (d), continued eligibility for housing assistance pursuant  
12 to this Act shall be determined in accordance with stand-  
13 ards established by or for the State in which the family  
14 resides.

15 (c) PREFERENCES.—Each State receiving a grant  
16 pursuant to this Act may establish a system for making  
17 housing assistance pursuant to this Act available on behalf  
18 of eligible families that provides preference for such assist-  
19 ance to eligible families having certain characteristics, in-  
20 cluding working families; families already receiving assist-  
21 ance under the Temporary Assistance for Needy Families  
22 program; individuals at risk of chronic homelessness; fami-  
23 lies affected by the conversion, sale, or demolition of public  
24 housing projects; families leaving structures receiving  
25 project-based assistance under section 8(o)(13) of the

1 United States Housing Act of 1937 (42 U.S.C.  
2 1437f(o)(13)); and to veterans of the Armed Forces of the  
3 United States, especially to homeless veterans.

4 (d) GRANDFATHERING PROVISION.—

5 (1) Any family that is receiving tenant-based  
6 assistance under section 8 of the United States  
7 Housing Act of 1937 (42 U.S.C. 1437f) shall, for  
8 fiscal years 2005 through 2009, continue to receive  
9 such assistance subject to the terms and conditions  
10 of such Act, from amounts made available pursuant  
11 to section 9(c) of this Act. Any family that is receiv-  
12 ing homeownership, project-based certificate, or  
13 project-based voucher assistance under such section  
14 8 shall continue to receive such assistance subject to  
15 the terms and conditions of such Act, from amounts  
16 made available pursuant to section 9(c) of this Act.

17 (2) If the grant received by the State pursuant  
18 to this Act is insufficient to fund all currently as-  
19 sisted families pursuant to paragraph (1) in the  
20 amounts specified under current program require-  
21 ments, the State shall make every effort to continue  
22 to provide assistance to the greatest extent possible  
23 to the same number of assisted families in the State.

24 (e) ANNUAL REVIEW OF FAMILY INCOME.—Each  
25 State administering a housing assistance grant pursuant

1 to this Act shall, not less frequently than annually, con-  
2 duct a review of the family income of each family receiving  
3 such assistance, except that the State shall review the in-  
4 come of elderly families not less frequently than every  
5 three years.

6 **SEC. 7. ELIGIBLE ACTIVITIES.**

7 Activities assisted under this Act may include only—

8 (1) tenant-based rental housing assistance;

9 (2) homeownership assistance for first-time  
10 homebuyers, including monthly homeownership as-  
11 sistance and downpayment assistance as defined in  
12 section 8 of the United States Housing Act of 1937  
13 (42 U.S.C. 1437f);

14 (3) costs of administering grant amounts under  
15 this Act, except that such costs shall not exceed 10  
16 percent of grant amounts provided to the State; and

17 (4) other activities, as specified by the Sec-  
18 retary, in support of tenant-based rental housing  
19 and homeownership assistance activities authorized  
20 under this section.

21 **SEC. 8. AMOUNT OF ASSISTANCE.**

22 (a) IN GENERAL.—Subject to subsections (b), (c),  
23 and (d), any monthly assistance payment for a family re-  
24 ceiving housing assistance pursuant to this Act shall be  
25 determined by the State administering such assistance.

1 Except as provided in subsection (b), no family residing  
 2 in a dwelling unit that is assisted with grant amounts  
 3 under this Act will be required at the time of initial leasing  
 4 to pay more than 30 percent of such family's gross month-  
 5 ly income as rent for such dwelling unit (including the  
 6 amount allowed for tenant-paid utilities), or as home-  
 7 ownership expenses, where applicable. Families may  
 8 choose to pay more to secure better quality housing.

9 (b) MINIMUM RENTAL AMOUNT.—Notwithstanding  
 10 subsection (a) of this section, States shall establish a min-  
 11 imum monthly rental amount of \$50 per month. Notwith-  
 12 standing the preceding sentence, a hardship exemption  
 13 may be granted on a case-by-case basis as determined by  
 14 the State.

15 (c) RENT REASONABLENESS.—The rent for dwelling  
 16 units assisted under this Act shall be reasonable and ap-  
 17 propriate in comparison with rents charged for non-luxury  
 18 dwelling units in the private, unassisted local market.

19 (d) MAXIMUM SUBSIDY.—States shall establish max-  
 20 imum subsidy levels for housing assistance under this Act  
 21 that are reasonable and appropriate for the market area.

22 **SEC. 9. AUTHORIZATION, ALLOCATION AND DISTRIBUTION**  
 23 **OF FUNDS.**

24 (a) The Secretary shall allocate amounts made avail-  
 25 able in an appropriations Act as follows:

1           (1) ALLOCATIONS FOR FISCAL YEARS 2004 AND  
2       2005.—

3           (A) For fiscal year 2004, to public housing  
4       agencies under section 8 of the United States  
5       Housing Act of 1937 (42 U.S.C. 1437f), except  
6       that the Secretary may reallocate to a State,  
7       from public housing agencies in the same State,  
8       any amounts made available under such section  
9       8 that are not being utilized by the end of the  
10      fiscal year.

11          (B) In fiscal year 2005, the Secretary shall  
12      allocate to each State an amount that bears the  
13      same ratio to the total amount available for as-  
14      sistance under this Act for such fiscal year that  
15      the amount allocated in fiscal year 2004 to pub-  
16      lic housing agencies within the State bears to  
17      the total amount made available under this Act  
18      for fiscal year 2004.

19          (2) BASE ALLOCATIONS FOR FISCAL YEAR 2006  
20      AND SUBSEQUENT FISCAL YEARS.—

21          (A) The Secretary shall, by regulation  
22      issued not later than 12 months after the date  
23      of enactment of this Act, establish a formula  
24      to provide for allocating amounts available for

1           fiscal year 2006 and subsequent fiscal years for  
2           block grants to States under this Act.

3           (B) In establishing the formula, the Sec-  
4           retary shall consider factors reflecting the need  
5           of low-income families in each State, including  
6           the following factors:

7                   (i) The number of families receiving  
8                   housing assistance under this Act in each  
9                   State;

10                  (ii) the extent of poverty within the  
11                  State;

12                  (iii) the cost of housing in the State  
13                  or areas of the State;

14                  (iv) the performance of the State in  
15                  administering grant amounts under this  
16                  Act;

17                  (v) the extent to which the State has  
18                  available any funds previously appropriated  
19                  under this Act; and

20                  (vi) other objectively measurable con-  
21                  ditions as the Secretary may specify.

22           (C) Subject to subparagraph (D), for fiscal  
23           years 2006 through 2009, the formula shall  
24           provide that—

1           (i) for a fiscal year in which the  
2           amount appropriated for block grants  
3           under this Act is equal to or greater than  
4           the amount appropriated in fiscal year  
5           2005, the Secretary shall provide each  
6           State with an allocation that is no less  
7           than the allocation that the State received  
8           in fiscal year 2005 adjusted for changes in  
9           housing costs in the preceding year and for  
10          the State's performance in using funds and  
11          executing the program; or

12          (ii) for a fiscal year in which the total  
13          amount made available to States for assist-  
14          ance under this Act is less than the total  
15          amount made available to States for fiscal  
16          year 2005, the amount provided to each  
17          State for such fiscal year shall not be less  
18          than the amount that bears the same ratio  
19          to the total amount available for assistance  
20          under this Act for such fiscal year that the  
21          amount provided to the State for fiscal  
22          year 2005 bears to the total amount made  
23          available to States for fiscal year 2005 ad-  
24          justed for changes in housing costs in the  
25          preceding year and for the State's per-



1           formance in using funds and executing the  
2           program.

3           (D) Beginning in fiscal year 2005, any  
4           amounts made available by a time determined  
5           by the Secretary for housing assistance to any  
6           State that exceed the amounts being utilized for  
7           housing assistance by the end of the fiscal year  
8           shall be identified and shall be retained by the  
9           State. In calculating the amount of assistance  
10          to allocate to such State in the following fiscal  
11          year, the Secretary shall reduce the amount  
12          that would otherwise be allocated to such State  
13          pursuant to this paragraph by the identified  
14          amounts. In such following fiscal year, subject  
15          to the availability of appropriated amounts, in  
16          addition to amounts provided under the for-  
17          mula, the Secretary shall allocate an amount at  
18          least equal to the total amount of the reduc-  
19          tions in assistance made in such fiscal year pur-  
20          suant to this subparagraph to those States that  
21          have exceeded, as determined by the Secretary,  
22          the performance standards established by the  
23          Secretary under section 5(b).

24          (b) Subject to the availability of appropriations, the  
25          Secretary shall allocate additional amounts to each State

1 for tenant-protection assistance as authorized by section  
2 8(t) of the United States Housing Act of 1937 (42 U.S.C.  
3 1437f(t)) in fiscal year 2005 and each fiscal year there-  
4 after based on the number of eligible tenants previously  
5 receiving such assistance in that State.

6 (c) There are authorized to be appropriated such  
7 sums as may be necessary for each of fiscal years 2004  
8 through 2009.

9 **SEC. 10. ENVIRONMENTAL REVIEW.**

10 For purposes of environmental review, a grant under  
11 this Act shall be treated as assistance for a special project  
12 that is subject to section 305(c) of the Multifamily Hous-  
13 ing Property Disposition Reform Act of 1994 (42 U.S.C.  
14 3547), and shall be subject to the regulations issued by  
15 the Secretary to implement such section.

16 **SEC. 11. INSPECTION OF UNITS.**

17 (a) IN GENERAL.—The Secretary shall require with  
18 respect to any dwelling unit assisted pursuant to this Act  
19 that the State administering housing assistance pursuant  
20 to this Act inspect the unit before any assistance payment  
21 may be made to determine whether the dwelling unit  
22 meets the housing quality standards under subsection (b).  
23 Such dwelling unit must meet such standards before any  
24 assistance payment is made.

1       (b) HOUSING QUALITY STANDARDS.— All dwelling  
2 units in a State assisted under this Act shall meet all ap-  
3 plicable State and local housing quality standards and  
4 code requirements, and if there are no such standards or  
5 code requirements, the housing shall meet the housing  
6 quality standards established by the Secretary.

7       (c) INSPECTIONS.—Each State administering hous-  
8 ing assistance under this Act shall ensure that all occupied  
9 dwelling units in such State assisted pursuant to this Act  
10 are maintained in accordance with the standards described  
11 under subsection (b). Every dwelling unit in the State as-  
12 sisted pursuant to this Act shall be inspected not less than  
13 once every three years.

14       (d) CORRECTIVE ACTIONS.—No assistance payment  
15 may be made pursuant to this Act for a dwelling unit,  
16 which fails to meet the standards under subsection (b).

17 **SEC. 12. PORTABILITY.**

18       (a) Any family receiving housing assistance pursuant  
19 to this Act shall receive such assistance to rent an eligible  
20 dwelling unit within any State in which a program is being  
21 administered under this Act.

22       (b) Assistance for any family moving pursuant to  
23 subsection (a) shall be administered in accordance with  
24 the provisions established pursuant to this Act in the State  
25 to which the family moves.

1 **SEC. 13. COMPLIANCE.**

2 (a) COMPLIANCE MONITORING.—The Secretary may  
3 make such reviews and audits as may be necessary or ap-  
4 propriate to determine whether the State has carried out  
5 the housing assistance activities and objectives set forth  
6 in its plan under section 5(a) in a timely or effective man-  
7 ner, whether it has carried out those activities and objec-  
8 tives, including certifications, in accordance with the re-  
9 quirements of this Act and other applicable laws, whether  
10 it has the capacity to continue to undertake these activities  
11 in a timely and effective manner, and whether it has met  
12 the performance standards established by the Secretary  
13 pursuant to section 5(b).

14 (b) COMPLIANCE ACTIONS.—In addition to any other  
15 actions authorized under this or any other Act, if the Sec-  
16 retary finds after reasonable notice and opportunity for  
17 a hearing that a State receiving a grant under this Act  
18 has failed to comply substantially with any provision of  
19 this Act, including any performance standard established  
20 by the Secretary pursuant to this Act, and until the Sec-  
21 retary is satisfied that there is no longer any such failure  
22 to comply, the Secretary may—

23 (1) terminate grant payments under this Act to  
24 the State and provide for alternative administration  
25 of such grant amounts;

1           (2) withhold from the State amounts from the  
2           total allocation that would otherwise be available to  
3           the State under this Act;

4           (3) reduce the amount of future grants to the  
5           State by an amount equal to the amount of such  
6           grants that were not expended in accordance with  
7           this Act;

8           (4) limit the availability of grant amounts pro-  
9           vided to the State to programs and activities under  
10          this Act not affected by such failure to comply;

11          (5) withhold from the State other amounts allo-  
12          cated for the State under other programs adminis-  
13          tered by the Secretary;

14          (6) refer the matter to the Attorney General of  
15          the United States with a recommendation that an  
16          appropriate civil action be instituted; or

17          (7) order other corrective action with respect to  
18          the State.

19 **SEC. 14. EFFECTIVE DATE.**

20          The provisions of this Act shall take effect on the  
21          date of the enactment of this Act.

○